

110TH CONGRESS
1ST SESSION

H. R. 3881

To amend the Internal Revenue Code of 1986 to modify the rules for charitable contributions of fractional gifts.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 17, 2007

Mr. UDALL of New Mexico (for himself and Mr. ENGLISH of Pennsylvania) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to modify the rules for charitable contributions of fractional gifts.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Promotion of Artistic
5 Giving Act of 2007”.

6 **SEC. 2. MODIFICATION OF RULES FOR CHARITABLE CON-** 7 **TRIBUTIONS OF FRACTIONAL GIFTS.**

8 (a) EXTENSION OF TIME TO COMPLETE GIFT.—

9 (1) IN GENERAL.—Clause (i) of section
10 170(o)(3)(A) of the Internal Revenue Code of 1986

(relating to recapture) is amended by striking “the earlier of—” and all that follows and inserting “the day which is 9 months after the date of death of the original donor, and”.

(2) ORIGINAL DONOR DEFINED.—Paragraph (4) of section 170(o) of such Code is amended by adding at the end the following:

“(C) ORIGINAL DONOR.—The term “original donor” means the donor who made the initial fractional contribution.”.

(b) VALUATION OF GIFT.—Paragraph (2) of section 170(o) of such Code (relating to valuation of subsequent gifts) is amended to read as follows:

“(2) VALUATION OF SUBSEQUENT GIFTS IN EXCESS OF \$1,000,000.—In the case of annual additional contributions in excess of \$1,000,000, the fair market value of such contributions shall be determined by using a certified appraisal from the Art Advisory Panel of the Commissioner of Internal Revenue.”.

(c) REPEAL OF ESTATE AND GIFT TAX RULES.—

(1) Section 2055 of such Code is amended by striking subsection (g) and redesignating subsection (h) as subsection (g).

1 (2) Section 2522 of such Code is amended by
2 striking subsection (e) and redesignating subsection
3 (f) as subsection (e).

4 (d) **EFFECTIVE DATE.**—The amendments made by
5 this section shall take effect as if included in the amend-
6 ments made by section 1218 of the Pension Protection Act
7 of 2006.

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